

Message Text

LIMITED OFFICIAL USE

PAGE 01 RABAT 02729 160816 Z

11

ACTION AF-18

INFO OCT-01 ADP-00 EUR-25 L-03 EB-11 COME-00 OPIC-12 INR-10

AID-20 RSC-01 RSR-01 /102 W
----- 107899

R 151728 Z JUN 73

FM AMEMBASSY RABAT

TO SECSTATE WASHDC 9280

INFO AMCONSUL CASABLANCA

AMCONSUL TANGIER

LIMITED OFFICIAL USE RABAT 2729

E. O. 11652 N/ A

TAGS: EIND, MO

SUBJ: EFFECT OF MOROCCANIZATION DECREES

REF: STATE 112355

1. EMBASSY AND CONSULATE GENERAL CASABLANCA WILL BE FOLLOWING IMPLEMENTATION OF MOROCCANIZATION AND EFFECT ON U. S. INTERESTS CLOSELY AND WILL REPORT DEVELOPMENTS AS THEY OCCUR. CASABLANCA HAS PREPARED AIRGRAM REPORTING REACTION OF U. S. FIRMS IN CASABLANCA TO MOROCCANIZATION DECREES (CASA A-56). CASABLANCA HAS ALSO SENT QUESTIONNAIRE TO U. S. FIRMS AND HAS CALLED MEETING REPRESENTATIVES U. S. FIRMS FOR NEXT WEEK TO DISCUSS MOROCCANIZATION. AFTER RECEIPT THESE COMPLETED QUESTIONNAIRES AND MEETING WITH BUSINESSMEN CONSULATE GENERAL AND EMBASSY WILL BE IN BETTER POSITION TO PROVIDE INFORMATION ON EXACTLY WHICH FIRMS ARE AFFECTED MOROCCANIZATION AND THEIR PLANS. IN MEANTIME PARTIAL LISTS FOLLW:

2. WE ASSUME THAT FOLLOWING MAJOR U. S. FIRMS ARE INCLUDED UNDER LISTS I AND II: AMERICAN FOREIGN INSURANCE COMPANY, BANK OF AMERICA, BANQUE AMERICANO FRANCO- SUISSE, BURROUGHS, COLGATE PALMOLIVE, FIRST NATIONAL CITY BANK, HONEYWELL- BULL, INTERNATIONAL HARVESTER, NATIONAL CASH REGISTER CO., PROCTER AND BAMBLE. SINGER SEWING MACHINE COMPANY, IBM, ST. PAUL FIRE AND MARINE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 RABAT 02729 160816 Z

INSURANCE CO.

3. FIRMS WHICH APPEARS WILL NOT BE AFFECTED ARE CROWN CORK, ESSO, GENERAL TIRE, GOODYEAR TIRE AND RUBBER, ITT, ST. REGIS PAPER, SIMMONS, TEXACO, AND MOBIL OIL.

4. WE HAVE TALKED TO PROCTER AND GAMBLE REPRESENTATIVES HERE AND IT APPEARS THAT P & G WILL ATTEMPT TO MOROCCANIZE BY FINDING SUITABLE MOROCCAN PARTNER, ASSOCIATING WITH EXISTING MOROCCAN FIRM, ASSOCIATING WITH MOROCCAN GOVERNMENT ENTITY, OR SALE OF STOCK ON STOCK EXCHANGE. THEY SEEMED TO BELIEVE THEY COULD LIVE WITH MOROCCANIZATION SINCE SAME THING HAD OCCURRED IN OTHER COUNTRIES AND EVEN WITH MINORITY OF MEMBERS ON BOARD OF DIRECTORS P & G HAD BEEN ABLE TO RETAIN CONTROL.

5. WE BELIEVE BEST ADVICE WE CAN OFFER U. S. FIRMS IS THAT THEY ATTEMPT TO COMPLY WITH MOROCCANIZATION DECREES. EMBASSY WILL BE GLAD TO ASSIST THEM WITH ANY PROBLEMS THEY MAY HAVE WITH GOM. AS SOON AS WE LEARN WHAT SPECIFIC PROBLEMS OF U. S. FIRMS ARE WE WILL DISCUSS WITH APPROPRIATE GOVERNMENT OFFICIALS. GOVERNMENT OFFICIALS THEMSELVES ARE NOT WELL INFORMED AT THIS STAGE ON HOW DECREES WILL BE IMPLEMENTED.

6. WITH REGARD TO MANNER IN WHICH U. S. FIRMS SHOULD MEET EQUITY REQUIREMENTS IT WOULD PROBABLY BE BETTER TO INCREASE CAPITAL RATHER THAN DISPOSE OF REQUIRED AMOUNT OF EXISTING EQUITY TO MOROCCANS. GOM SEEMS TO PREFER THIS BECAUSE IT WILL NOT REQUIRE FOREIGN EXCHANGE TRANSFER. PROBLEMS OF EACH FIRM WILL NOT DOUBT BE DIFFERENT AND FIRM WILL HAVE TO DECIDE PROBLEM ON BASIS ITS PARTICULAR SITUATION.

7. BEFORE EXPRESSING CONCERN TO GOM OF EFFECT OF DECREES ON FUTURE INVESTMENT WE WOULD APPRECIATE RECEIVING DEPARTMENT'S VIEWS ON HOW THEY WILL AFFECT INVESTMENT POTENTIAL. WE ASSUME THAT OTHER COUNTRIES HAVE HAD SIMILAR REQUIREMENTS AND THAT POSITIVE OR NEGATIVE EFFECT ON INVESTMENT HAS BEEN OBSERVED. HAS MEXICANIZATION FOR EXAMPLE CURTAILED U. S. INVESTMENT IN MEXICO.

8. WE WILL NOT DOUBT HAVE OCCASIONS IN FUTURE TO EXPRESS HOPE THAT U. S. CITIZENS WILL RECEIVE PROMPT AND EFFECTIVE COMPENSATION FOR PROPERTY DIVESTED BY THEM. WE MAY ALSO NEED TO URGE GOM TO GIVE MORE TIME FOR ORDERLY COMPLIANCE WITH DECREES.

LIMITED OFFICIAL USE

PAGE 03 RABAT 02729 160816 Z

SATION FOR PROPERTY DIVESTED BY THEM. WE MAY ALSO NEED TO URGE GOM TO GIVE MORE TIME FOR ORDERLY COMPLIANCE WITH DECREES.

ROCKWELL

LIMITED OFFICIAL USE

NNNNMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 15 JUN 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973RABAT02729
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: RABAT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730619/aaaajamg.tel
Line Count: 117
Locator: TEXT ON-LINE
Office: ACTION AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 73 STATE 112355
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 04 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04-Jan-2002 by boyleja>; APPROVED <17-Jan-2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> gwr 980206
Subject: EFFECT OF MOROCCANIZATION DECREES
TAGS: EIND, MO
To: AF
CASABLANCA
SECSTATE WASHDC
TANGIER
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005